



**U.S. Department of Justice**

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**FOR IMMEDIATE RELEASE  
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## **PRESS RELEASE**

### ***FORMER MERRILL SCOTT EXECUTIVES INDICTED ON TAX AND FRAUD CHARGES***

SALT LAKE CITY - A federal grand jury returned an indictment this afternoon charging Patrick Merrill Brody and David Eugene Ross II with conspiring to commit tax fraud from 1998-2002, conspiring to evade Patrick Brody's income taxes for 1999-2001, and money laundering. Patrick Brody was also indicted for failing to file an individual income tax return for 2001.

The indictment alleges that from 1998 to early 2002, Patrick Brody and David Ross ran Merrill Scott & Associates, Inc., a Salt Lake City financial-services company that solicited funds from wealthy customers by promising wealth preservation, growth, and huge tax savings through a series of financial transactions, many of them offshore. It is alleged that the conspiracy to impede the tax laws resulted in millions of dollars in tax loss. Moreover, the indictment alleges that, rather than remain secure, the customers' funds generally circulated through a maze of

offshore accounts and entities only to end up paying for, among other things, Merrill Scott's payroll and overhead, risky stock investments, Patrick Brody's personal living expenses, and the demands of earlier customers.

The indictment further alleges that Patrick Brody was Merrill Scott's managing director. David Ross is identified as an attorney who once worked for the Internal Revenue Service.

An indictment is an allegation of criminal wrongdoing, and Patrick Brody and David Ross are presumed innocent until proven guilty. The defendants will receive a summons to appear for an arraignment on the charges.

For the charged offenses, Mr. Brody and Mr. Ross face imprisonment for more than 80 years and fines that total more than \$2 million. The Internal Revenue Service, Criminal Investigation, assisted in the investigation. United States Department of Justice, Tax Division, Trial Attorneys Brian D. Bailey and Scott E. Bradford are handling the matter for the United States. Questions or comments should be directed to Melodie Rydalch, Public Information Officer for the United States Attorney's Office for the District of Utah, at 801-325-3206.

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